



City of San José Deferred Compensation Plan

What Does it Cost to Participate?



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The chart below is a hypothetical illustration of the annual costs for the investment options in the **City of San José Deferred Compensation Plan**. These costs cover all aspects of plan administration including: investment advisory fees; education and enrollment services; participant record keeping; and other related services provided under the Plan.

Please note: If an annuity payout option is chosen at retirement, a charge (not to exceed 1.25%) for annuity mortality and expense risks, which may include profit, may apply and is not reflected in the results posted below.

You should consider the investment objectives, risks, and charges and expenses of the variable product and its underlying fund options carefully before investing. The prospectuses and participant information booklet contain this and other information. To obtain an Information Booklet or prospectus, contact ING's local San Jose Office at (877) 464-4748 or (877) ING IS 4 U or toll-free at (800) 584-6001. Please read carefully before investing.

TOTAL EXPENSES FOR ALL FUNDS AS OF 9/1/2008

INVESTMENT OPTIONS (FUND NUMBER INCLUDED FOR EACH OPTION)	TOTAL ANNUAL EXPENSES	TOTAL ANNUAL CHARGES WHEN ACCOUNT BALANCE IS		
		\$10,000	\$25,000	\$100,000
ING VP Money Market Portfolio – Class I (003)*	0.33%	\$33.00	\$82.50	\$330.00
*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although effective October 7, 2008, the fund seeks to preserve the value of your investment at \$1.00 per share, there is no assurance it will be able to do so. While the fund's objective includes the preservation of capital, it is possible to lose money by investing in the fund.				
ING Stable Value Option (9905)*	1.05%	\$105.00	\$262.50	\$1,050.00
Stable Value Options invests in ING's Stabilizer managed separate account annuity contract, issued by ING Life Insurance and Annuity Company. The contract provides for declared credited interest rates that are set in advance. The declared rates are net of all expenses. Guarantees of principal and interest are based on the claims paying ability of ING Life Insurance and Annuity Company.				
Stable Value Option is not a registered investment company and is not registered with the Securities and Exchange Commission. This investment option is not part of Separate Account D.				
ING Intermediate Bond Fund – Class I (238)	0.36%	\$36.00	\$90.00	\$360.00
Templeton Global Bond Fund – Class A (178)¹	0.99%	\$99.00	\$247.50	\$990.00
ING Solution 2015 Portfolio – Initial Class^{2,3} (746)	0.76%	\$76.00	\$190.00	\$760.00
ING Solution 2025 Portfolio – Initial Class^{2,3} (790)	0.84%	\$84.00	\$210.00	\$840.00
ING Solution 2035 Portfolio – Initial Class^{2,3} (761)	0.87%	\$87.00	\$217.50	\$870.00
ING Solution 2045 Portfolio – Initial Class^{2,3} (764)	0.90%	\$90.00	\$225.00	\$900.00
ING Solution Income Portfolio – Initial Class² (767)	0.69%	\$69.00	\$172.50	\$690.00
Aggressive Custom Lifestyle Portfolio⁴ (1277)	0.59%	\$59.00	\$147.50	\$590.00
Conservative Custom Lifestyle Portfolio⁴ (1278)	0.83%	\$83.00	\$207.50	\$830.00
Moderate Custom Lifestyle Portfolio⁴ (1279)	0.74%	\$74.00	\$185.00	\$740.00

All portfolios will fluctuate in value, and there is no guarantee that any investment option will achieve its stated objective. Stocks are more volatile than bonds, and portfolios with a higher concentration of stocks are more likely to experience greater fluctuations in value than portfolios with a higher concentration in bonds. Foreign stocks and small- and mid-cap stocks may be more volatile than large cap stocks. Investing in bonds also entails credit and interest rate risks. Generally, investors with longer timeframes can consider assuming more risk in their investment portfolio. Refer to the fund prospectus for more information about specific risks. The Custom Lifestyle Portfolios are based on risk tolerance rather than on a specific target retirement date.

INVESTMENT OPTIONS (FUND NUMBER INCLUDED FOR EACH OPTION)	TOTAL ANNUAL EXPENSES	TOTAL ANNUAL CHARGES WHEN ACCOUNT BALANCE IS		
		\$10,000	\$25,000	\$100,000
Pax World Balanced Fund (193)	0.96%	\$96.00	\$240.00	\$960.00
Oppenheimer Main Street Opportunity Fund® – Class Y (1266)	0.68%	\$68.00	\$170.00	\$680.00
Vanguard® Institutional Index Fund – Institutional Shares (566)⁶	0.05%	\$5.00	\$12.50	\$50.00
Allianz NFJ Dividend Value Fund – Institutional Shares (1205)	0.67%	\$67.00	\$167.50	\$670.00
BlackRock Large Cap Value Fund – Institutional Shares (1264)	0.88%	\$88.00	\$220.00	\$880.00
Fidelity® Advisor New Insights Fund – Institutional Class⁵ (1600)	0.81%	\$81.00	\$202.50	\$810.00
The Growth Fund of America® – Class A (998)	0.64%	\$64.00	\$160.00	\$640.00
CRM Mid Cap Value Fund – Investor Shares⁷ (457)	1.04%	\$104.00	\$260.00	\$1,040.00
Fidelity® VIP Mid Cap Portfolio – Initial Class⁵ (822)	0.67%	\$67.00	\$167.50	\$670.00
Vanguard® Mid-Cap Index Fund – Institutional Shares⁶ (1197)	0.07%	\$7.00	\$17.50	\$70.00
Pioneer Mid Cap Value VCT Portfolio – Class I (074)	0.71%	\$71.00	\$177.50	\$710.00
Oppenheimer Main Street Small Cap Fund® – Class Y (1267)	0.66%	\$66.00	\$165.00	\$660.00
Vanguard® Small-Cap Index Fund – Signal™ Shares⁶ (1407)	0.11%	\$11.00	\$27.50	\$110.00
Wanger USA (821)	0.95%	\$95.00	\$237.50	\$950.00
James Small Cap Fund (1282)	1.52%	\$152.00	\$380.00	\$1,520.00
Oppenheimer Developing Markets Fund – Class A (190)	1.32%	\$132.00	\$330.00	\$1,320.00
EuroPacific Growth Fund® – Class R-5 (817)	0.57%	\$57.00	\$142.50	\$570.00
Templeton Global Smaller Companies Fund – Class A¹ (179)	1.32%	\$132.00	\$330.00	\$1,320.00

¹ Franklin Templeton and the Ben Head logo are registered trademarks of Franklin Resources, Inc.

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³ Sub-adviser of funds included in ING Partners, Inc. Directed Services LLC is the investment adviser for these funds

⁴ A diversified portfolio comprised of some of the core investment options. The Custom Lifestyle Portfolio options are based on risk tolerance. The total expense shown is a blend of the expenses of the underlying options (which range from 0.05% to .88%). The fund fact sheets provide more information on this portfolio and the underlying options.

⁵ Fidelity and Fidelity Investments & (Pyramid) Design are registered trademarks of FMR Corp.

⁶ Vanguard and the ship logo are trademarks of The Vanguard Group, Inc.

⁷ "CRM Funds" are distributed by "Professional Funds Distributors, Inc."

IMPORTANT INFORMATION: Group annuity contracts are intended as long-term investments designed for retirement purposes. Money distributed will be taxed as ordinary income in the year the money is distributed. Account values fluctuate with market conditions and, when surrendered, the principal may be worth more or less than the original amount invested. An annuity does not provide any additional tax deferral benefit, tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits which may be valuable to you.

**For more information
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